weekly economic review

December 21, 2012

Population

Alberta is the fastest growing province for the fourth straight quarter

Driven by an influx of new migrants, Alberta's population expanded by 33,100 in the third quarter. This represents a 0.9% gain, the largest increase of all provinces. Alberta's population now sits at 3,906,800, an increase of 2.9% over the same time last year.

Strong job prospects and high earnings continue to attract migrants to Alberta. The number of net interprovincial migrants climbed to 13,915 during the quarter (see Chart), the third highest level on record. Net new migrants from outside Canada hit 10,809. For further details see the Quarterly Population Report

Average Weekly Earnings

Alberta weekly earnings jump in October

Alberta average weekly earnings increased by an impressive 1.3% in October to $1,098 per week. Earnings are 4.3% higher than the same month last year and 20.8% higher than the Canadian average. Growth in earnings continues to outpace inflation, which has been subdued in 2012.

Nationally, average weekly earnings posted a solid increase of 0.9% from September, reflecting gains in all provinces but PEI. National earnings are 2.8% above the same month last year.

Resale Housing Market

Sales of existing homes dip, but continue to trend above last year level

Sales of existing homes fell 1.7% to 4,942 in November, after posting a strong gain in October. However, compared to the same month last year, existing home sales jumped by 8.8%, marking the 19th straight month of year-over-year increases.

Despite the monthly dip in sales, the Alberta resale market remained in seller's territory in November. The sales-to-new listings ratio was 0.62, unchanged from October. The average resale home price in Alberta reached $370,974, a 4.3% over the same month last year.

The national resale housing market has moderated in recent months, with home sales down 8.3% on a year-over-year bases in November.

Retail Sales

Spending on clothes and cars spur sales

Consumer spending remains a major driver of economic activity in Alberta. October retail sales jumped 0.9% to a new high of $5.9 billion, fueled by purchases of vehicles and clothes. Alberta continues to lead the country in year-to-date retail sales growth at 8.6%. Canadian retail sales rose for the fourth straight month (+0.7%), boosted by higher spending at gas stations and car dealers.

Consumer Price Index

Another soft inflation reading

Alberta's inflation rate was the second lowest of all provinces in November, staying at 0.6% for the second straight month. Falling energy prices, particularly for electricity, played a key role. However, non-energy prices also posted a modest gain of 1.1%. Alberta's inflation rate excluding the volatile food and energy items has been trending lower since the spring and in November sat at only 0.9%. Year-to-date, Alberta has the lowest inflation in the country at 1.2%.

Canada's inflation rate fell to 0.8% in November; brought down by lower energy and vehicle prices.

Net Interprovincial Migration

Source: Statistics Canada

Closing Prices	December 13, 2012	December 20, 2012	2012–13 Fiscal YTD
Canadian Dollar (US$ per $CAN)	[illegible]	[illegible]	[illegible]
WTI Oil ($US/bbl)	[illegible]	[illegible]	[illegible]
NYMEX Natural Gas ($US/MMBtu)	[illegible]	[illegible]	[illegible]

Alberta Economic Indicators[1]

Population	2010	2011	2012YTD	Jun	Jul	Aug	Sep	Oct	Nov
NEW: Population ('000)	3,724	3,776	3,874		3,879			3,902	
% change	1.4	1.5	2.5		2.5			2.3	
NEW: Net Interprovincial Migration (year)	3,211	8,442	28,170		27,541			13,911	
NEW: Net International Migration (year)	24,100	16,700	37,000		14,546			10,503	
Net Non-permanent Residents* (year)	14	7,604	9,721		9,744			9,946	
Labour Market									
Employment ('000s), SA	2,017	2,094	2,148	2,141	2,150	2,154	2,156	2,159	2,161
% change	-0.4	3.8	2.7	2.7	2.7	2.7	1.6	1.7	1.8
Unemployment rate (%), SA	6.5	6.4	4.7	4.6	4.6	4.4	4.4	4.5	4.7
Participation Rate (%), SA	72.9	73.7	73.6	73.6	73.6	73.5	73.5	73.7	73.9
NEW: Average Weekly Earnings ($), SA	940.28	1,038.60	1,070.10	1068.04	1068.00	1066.40	1067.08	1066.37	
% change	4.6	4.6	3.9	3.9	4.6	3.6	3.9	3.4	
Price Indices									
NEW: Consumer Price Index	1.0	2.4	1.2	1.3	0.9	1.0	1.4	1.6	1.6
Excluding food and energy	0.8	0.8	1.4	1.6	1.4	1.4	1.1	1.2	0.9
New-Multi, Building Cost Index*	4.1	3.4	4.1	4.1	4.1	4.1	4.1	4.1	
Farm Product Price Index	1.8	18.0	6.5	7.2	4.6	5.0	7.8	7.5	
Crops	-9.6	19.3	1.9	3.4	0.5	4.2	1.1	1.1	
Livestock	6.7	16.7	7.8	10.5	7.3	5.5	9.7	9.4	
Household Sector									
Housing Starts ('000), SAAR	27.1	25.7	33.6	33.9	33.3	29.3	35.2	37.3	38.9
% change	33.5	5.1	33.1	45.5	31.5	6.5	36.0	8.52	5.8
New housing price index*	0.5	0.4	1.2	1.2	1.5	1.6	1.6	1.6	1.6
Edmonton	-0.8	0.9	-0.9	0.0	0.8	0.9	1.3	0.6	0.2
Calgary	1.7	0.1	1.4	1.7	2.3	2.4	2.3	2.4	2.4
NEW: MLS Average Resale Price ($ '000)	350.0	352.7	361.7	360.5	363.1	363.8	361.8	362.6	371.0
% change	3.1	0.5	2.3	2.7	3.2	3.6	0.7	4.3	4.3
Edmonton ($ '000)	326.5	324.2	333.1	332.2	331.8	334.2	334.2	335.7	347.4
% change	2.3	-0.7	2.4	3.7	1.2	2.8	3.3	3.8	3.4
Calgary ($ '000)	397.4	401.9	409.1	410.2	411.5	410.9	410.2	423.5	418.6
% change	3.4	1.1	1.8	2.3	3.1	1.8	0.9	5.2	4.7
NEW: Retail Sales, SA	6.6	6.9	8.9	7.5	9.6	8.5	8.3	8.1	
New Motor Vehicle Sales	9.5	9.6	12.4	5.1	12.9	9.0	15.7	9.1	
Consumer Bankruptcies (year)	8,150	7,030	4,604	384	480	454	401		
% change	-18.4	-13.8	-12.4	-25.4	-6.4	-23.7	-19.6		
Business Sector									
Rig Drilling (year)	207	286	246	120	106	213	229	236	256
% change	68.1	30.4	-12.1	-7.3	-17.5	10.9	19.7	25.6	21.0
Goods Exports, nominal ($ '000)	12.6	18.5	4.6	5.8	7.8	7.5	3.7	3.7	
Energy	17.1	19.4	5.9	7.3	9.3	9.9	4.3	4.5	
Farm, Fishing and Intermediate Food	15.9	27.2	20.2	7.1	45.2	40.4	25.2	26.2	
Total Farm Cash Receipts (quarterly)	3.7	15.2	15.0	4.4			5.8		
Manufacturing Shipments, SA	11.3	18.0	8.0	4.8	7.1	5.5	3.1	2.6	
Wholesale Trade, SA	8.5	15.0	13.6	10.7	10.6	9.7	7.4		
Building Permits, SA	1.3	11.8	13.5	13.3	9.1	11.0	6.3	18.9	
Residential	22.4	5.2	18.3	14.6	5.2	30.2	9.4	14.2	
Non-residential	-15.3	20.9	7.7	11.5	-1.3	-10.4	1.4	26.7	
Business Bankruptcies (year)	378	264	181	22	19	10	20		
% change	-6.7	-30.2	-31.1	-37.5	-5.2	-61.5	-16.7		

YTD (year-to-date) represents the change since the beginning of the year compared to the same period in the previous year. "SA" denotes seasonally adjusted.

[1] Unless otherwise indicated, all figures are year over year percentage change and not seasonally adjusted.

*Quarterly, annual numbers are presented on a census year basis (July 1 – June 30).

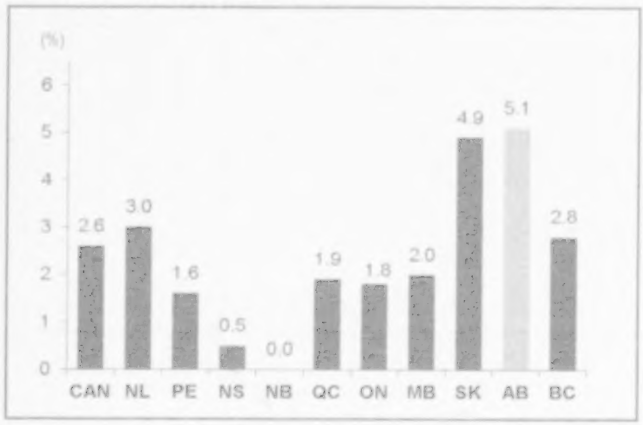
[1] Monthly average of Calgary and Edmonton.

[2] Average of Calgary and Edmonton.

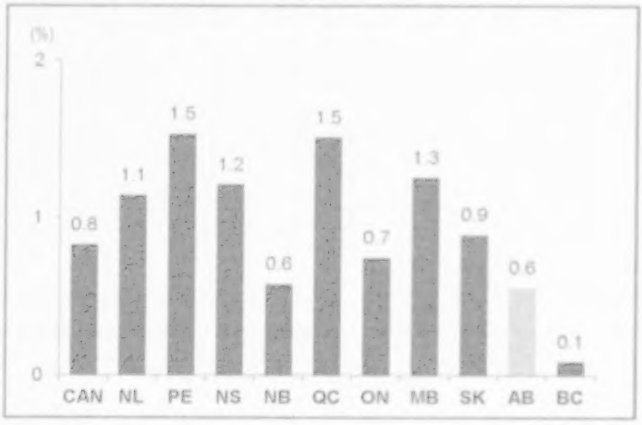
Sources: All data is from Statistics Canada except Housing Starts (Canada Mortgage and Housing Corporation), MLS Average Resale Prices (Canadian Real Estate Association), Rig Drilling (Canadian Association of Oilwell Drilling Contractors) and Bankruptcies (Office of the Superintendent of Bankruptcy Canada).

Economic Indicators by Province

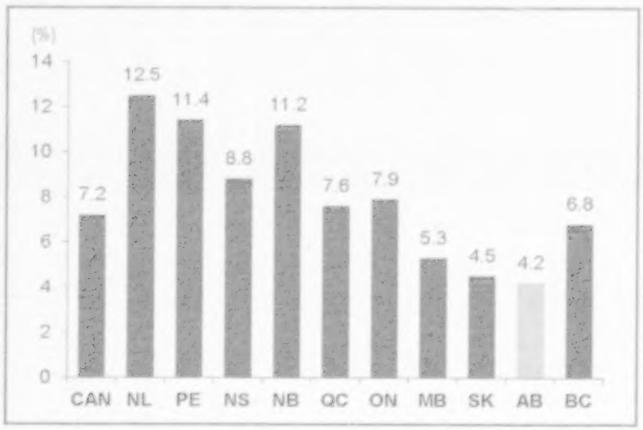
Real GDP Growth by Expenditure
(2011, year-over-year growth)



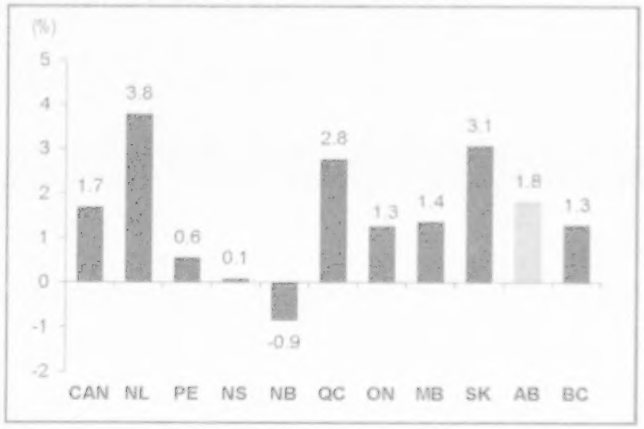
CPI Inflation
(November 2012, year-over-year growth in CPI)



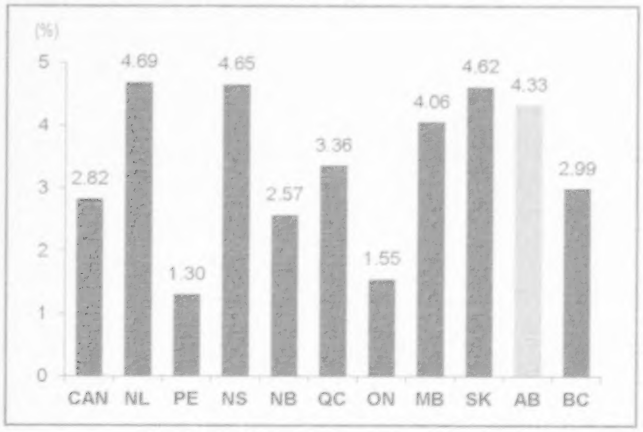
Unemployment Rate
(November 2012)



Employment
(November 2012, year-over-year growth)



Average Weekly Earnings
(October 2012, year-over-year growth)



Housing Starts
(November 2012, SAAR, year-over-year growth)